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CANADA DISTURBED BY IMPLICATIONS OF TRUMAN DOCTRINE

PRESIDENT TRUMAN'S three-day visit to Canada and his speech before Parliament at Ottawa on June 11 have reaffirmed the historic friendship between the United States and the British Dominion. In restating the Truman Doctrine, he spoke also for a wider world audience, and especially to all nations of the Western Hemisphere. Truman's tour should be viewed as a parallel to his recent Mexico trip, since both Presidential missions have been inspired by the aim to coordinate hemisphere defense and to present a solid political front to the rest of the world. No mention was made in Ottawa about the rumor, periodically revived, that Canada may soon enter the Pan American Union. But since Canadians are only mildly interested in the Union and know little about its aims or work, it is doubtful whether the nation will join the Union at any time in the near future.

CANADA'S DILEMMA. While Truman's state visit in Canada brings to a climax certain trends in Washington's military policies, Canadians generally are neither well informed about United States aims abroad nor convinced that they want to accept them. Canada, like many other small or middle nations, faces a dilemma abroad which grows more serious as World War II recedes. In part its foreign problem is economic. Essentially, however, Canada, like every small nation, is attempting to find a basis for security in a world dominated by great-power politics. Although it has agreed to joint military arrangements with the United States,* Canadian officials have been at pains to point out that their country's sovereignty is in no way challenged. Officially Canada places great reliance on the United Nations and has taken a leading part in support of the UN, not only in the work of the Security Council, but in

many related UN agencies as well.

Yet Canada is aware that the UN is not at present able to offer complete security. Legislation has already been introduced in Parliament which would empower the government to carry out the Security Council's instructions regarding whatever action is taken against a future aggressor nation. In the parliamentary debates on this legislation, however, most party spokesmen agreed that Canada must depend on the UN because there is no more effective organization to take its place. Meanwhile the government at Ottawa continues its close collaboration with Washington military officials, and Canadian uranium ores—at present this country's chief source of supply for atomic bomb manufacture—are exported to the United States presumably on the same terms which existed during the war.

Canada has emerged from the war keenly conscious of its potentially dangerous strategic position between the United States and Russia. American concern with the possible use of the Arctic regions in any future war—a concern duplicated in Moscow—demonstrates clearly to Canadians that they are henceforth destined to play a more important role than ever before in world affairs. Canada is relieved to find that it has come out of the war with sovereignty over its northern territory unchallenged. But the nation's adjustment to inclusion within the American defense system is taking place, for the most part, only at the top government level. Whether it is approved by Canadian voters throughout the Dominion is not certain. An early election does not appear likely in Canada, but it is worth noting that the Cooperative Commonwealth Federation party, which is Socialist in outlook and is in power in the Province of Saskatchewan, views with much alarm Canada's close military and economic ties with the

*See *Foreign Policy Bulletin*, February 28, 1947.

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United States.

TRADE QUANDARY. Canada is also troubled about problems of foreign trade. It is acutely affected by the growing world shortage of dollars, and is watching the United States for indications of how our foreign economic policy will finally develop. Like many European countries, Canada can only welcome Secretary Marshall's proposals for greater United States foreign financial aid. Canada's warm reception of President Truman was probably influenced as much by Marshall's interpretation of the Truman Doctrine as by anything which the President himself said at Ottawa. Canadian trade during and since the war has hit all-time peaks. But the present drain on Canadian holdings of American dollars has proved alarming. Trade figures now available for the first quarter of 1947 show that the Canadian deficit in trade with the United States was \$56,000,000 for January and \$67,500,000, for February. In March, when Canada exported to America goods valued at more than \$83,000,000 and received imports worth \$165,500,000, the deficit stood at \$80,600,000.

Canada still maintains a favorable over-all trade balance, but its position would soon become hopeless if its general trade were seriously curtailed because customers abroad were unable to earn sufficient American dollars. Historically Canada has maintained an unfavorable balance of trade with

the United States, but Britain, Canada's other chief purchaser, has been able heretofore to pay for its Canadian imports in dollars. If such triangular trade arrangements are not sustained by something like the Marshall plan for integrated foreign economic aid from the United States, Canada, like many other nations, will turn to economic nationalism and away from the liberal trade program which America is now attempting to inaugurate at the Geneva trade conference.

Foreign policy in Canada—both in its economic and political aspects—depends to a great extent on what the United States does abroad. It is not surprising, therefore, to find in Canada much hesitation about the country's future course and great aversion to the growing Russian-American rift. Yet there is little Canada can do to lessen East-West tension. For as a member of the British Commonwealth and a close neighbor of the United States its lot naturally falls with that of the Western democracies. Its representatives at all UN meetings and other international conferences, however, continue to search for alternative policies which might serve to achieve harmony among the great powers.

GRANT S. McCLELLAN

(Mr. McClellan attended the annual study conference of the Canadian Institute of International Affairs at Laval University, Quebec City, May 31 and June 1, as a representative of the Foreign Policy Association.)

BORDER CLASH REFLECTS UNSETTLED CONDITIONS IN CENTRAL ASIA

Conflicting charges over a recent border clash between Chinese and Outer Mongolian forces have brought two remote, but strategically significant sections of Inner Asia into the news. According to the Central News Agency, official press service of the Chinese Central government, Outer Mongolian troops, supported by several planes "bearing the Soviet emblem," early in June invaded Sinkiang, China's northwesternmost province, but were driven out after a few days. On June 11 the Chinese government instructed its ambassador in Moscow to protest to both the Soviet government and the Outer Mongolian Minister in the Russian capital. Tass, official Soviet news agency, later denied participation by planes with Soviet markings and characterized as "a provocative fabrication" a Chinese Foreign Office spokesman's statement charging partial Soviet responsibility for the incident. The Chinese version of events was also denied by the Outer Mongolian government which protested to Nanking and declared that Chinese troops had violated Mongolian territory.

No neutral accounts of the incident are available, but correspondents' dispatches suggest that, while further complications are possible, the fighting was a not unusual border skirmish in a sparsely settled

region of disputed boundaries. Skepticism is also reported from Nanking about the charge of Soviet participation. What is significant, however, is that the Chinese government decided to protest to Moscow and gave wide publicity to the issue through Chinese publications and official statements to the foreign press. According to Tillman Durdin of the *New York Times*, the handling "indicates an effort to create the impression of Soviet aggression while the harassed Nanking regime is trying to obtain material American backing in its war against the Chinese Communists."

For some weeks Chinese representatives have been anxiously seeking new American assistance in the civil war, which has now reached a point of military crisis for the government armies in Manchuria. Negotiations have revolved, at least in part, about a \$500,000,000 Export-Import Bank credit, long earmarked for possible extension to China. Since the allocation is scheduled to expire by June 30, an early American decision is necessary as to whether it shall be dropped or extended, or the loan granted at this time. Under the circumstances, some Chinese circles appear to feel that emphasis on Sino-Russian differences may help to bring further United States aid to Nanking in a difficult period.

BORDER TROUBLESPOTS. Despite the apparently routine nature of the Mongolia-Sinkiang border incident, this is an area which may well give rise to future friction. Sinkiang in particular is a focal region bordering on India, Tibet, Afghanistan, the U.S.S.R. and Mongolia, although its international significance is at present somewhat reduced by its low level of development, small population (three or four million), and poor communications with the surrounding areas except the U.S.S.R. Known also as Chinese Turkistan or Eastern Turkistan, it was the last major border area incorporated in the Manchu Empire, but has had contacts with China since ancient times when the historic silk route between China and the West passed through it. More than nine-tenths of the population are non-Chinese Moslems, engaged largely in nomadic cattle-raising, who have often been at odds with Chinese administrators in the past as well as in recent years.

Tsarist Russia was influential in Sinkiang, and the Soviet Union has played an important part in the province, especially in the decade from 1933 until 1942. In those years a Chinese governor, General Sheng Shih-tsai ruled the province in close relationship with the Russians, who originally helped him to establish his authority against Moslem rivals and later gave him valuable economic assistance. It was then widely rumored that Sinkiang had become, in effect, a Soviet area, but when Sheng turned to Nanking in 1942 and broke with the Russians—apparently anticipating a Soviet defeat in the war with Germany—Moscow reacted by withdrawing completely from the province rather than by attempting to stay. This withdrawal had serious effects on Sinkiang's economic life, in view of previous links with Russian economy and the closeness of Soviet centers on the Turk-Sib railway with which important trade had developed. In 1944-45, during the succeeding period of Chinese Central rule, wide-

spread revolts broke out, and in what was apparently a reference to these developments the Soviet government pledged a policy of non-interference in its pact of August 1945 with China. In 1946 China announced that a large measure of autonomy was being granted in Sinkiang.

LAND OF THE MONGOLS. Outer Mongolia, now known as the Mongolian People's Republic, has been intimately associated with the U.S.S.R. since the period of Allied intervention in Siberia, when Chinese, White Russian, Mongol and Soviet forces operated on its territory. The present government was established in 1921 following the victory of combined Mongol and Red Army forces. Soviet troops left Outer Mongolia in 1925, but the U.S.S.R. helped to train and equip the Mongol armed forces and extended far-reaching economic aid, which brought the area firmly within the Soviet orbit and promoted the modernization of Mongol life.

Although the U.S.S.R. formally recognized Chinese sovereignty in Outer Mongolia in 1924, the area has, for practical purposes, been independent of China since the Chinese Revolution of 1911. In 1934 and 1936 a military alliance with the U.S.S.R. was concluded. In 1939 Red Army and Mongol troops fought on the Mongolian-Manchurian border with Japanese troops in a major border clash, and in August 1945 Outer Mongolia declared war on Japan and participated in the Soviet military campaign in Manchuria. Under the terms of the Chinese-Soviet pact of 1945, China agreed to recognize Outer Mongolia's independence if a plebiscite of the people of the country confirmed a desire for this status. The plebiscite was subsequently held, with the expected results, and early in 1946 China recognized the new status. In the summer of 1946 Outer Mongolia applied for UN membership, but its application was rejected because of opposition by the United States and Britain. It is possible, however, that Outer Mongolia will be admitted to the UN in the future and that for the first time it will have diplomatic relations with the countries of the West, as well as the U.S.S.R.

LAWRENCE K. ROSINGER

For background information on current developments in India, see—

THE INDEPENDENCE OF INDIA
by Phillips Talbot

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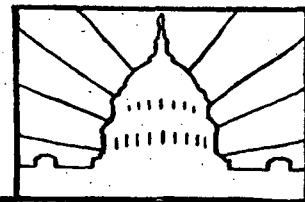
Tides from the West: A Chinese Autobiography, by Chiang Monlin. New Haven, Yale University Press, 1947. \$3.50

A well-known Chinese educator tells the story of his life during the past decades of transition in China. An interesting book, useful for the manner in which it conveys a sense of the meaning of social and cultural change in China.

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Washington News Letter



WILL U.S. ACCEPT MARSHALL'S PROPOSALS FOR AID TO EUROPE?

The national debate with respect to European economic needs which Secretary of State George C. Marshall started by his Harvard University address on June 5 is essentially a controversy over the nature of American economy. The issue poses two questions: (1) Can our economy remain strong if we do not help Europe? Can our economy remain strong if we do help Europe? The Administration may persuade Congress to accept its proposal for multi-billion-dollar lending and giving to Europe if it can convince the country, first, that without dollars Europe will have to curtail purchases here and, second, that American production and employment will decline seriously in the absence of those purchases. Herbert Hoover stated the case for the doubters on June 15, when in a letter to Senator Styles Bridges, Republican, of New Hampshire, he wrote that the United States now is exporting more than its economy can bear. A deeper question is whether the United States can gear its economy with world economy in a way to make its foreign policy work over the long run. The Marshall program looks forward to a far greater volume of imports than the United States has accepted in the past.

POLITICAL IMPLICATIONS. The Administration has already indicated that it intends to fight vigorously for its policy. At Harvard Marshall said that Europe "must have substantial additional help, or face economic, social and political deterioration of a very grave character." In Ottawa President Truman on June 11 added that "the purpose of the United States is to restore the world to health, to re-establish conditions in which the common people of the earth can work out their salvation by their own efforts." Within nine days after Marshall spoke, Under Secretary of State Dean Acheson, State Department Counsellor Benjamin Cohen, and Sam Rayburn, House of Representatives minority leader, set forth the same ideas in public addresses.

The proposed policy has two political implications which strengthen the Administration's position in the coming controversy. First, it partly satisfies American public interest in the establishment of some sort of European unity. Marshall said that in distributing dollars the Administration would consider Europe as a whole, and he insisted that Europeans come together to draw up their own program of needs. British Foreign Secretary Ernest Bevin on June 14 stated he was going to discuss the sugges-

tion in Paris with the French government, which announced that it had asked both Russia and Britain their views on the Marshall plan. United Nations Secretary General Trygve Lie proposed that the continental governments confer through the UN European Economic Commission.

Second, the proposed policy carries a peaceful note at a time when the world's political climate is so warlike that the Vatican's *Osservatore Romano* on June 14 urged the United States and Russia to compose their differences. Whereas the Greek-Turkish policy of March 12 aimed at defending the southeastern European approaches to the Mediterranean from Russia, our newly developing policy invites Russia to join the United States in stabilizing Europe. Marshall told his press conference on June 12 that he included Russia when he spoke of the needs of Europe. State Department Counsellor Cohen declared that the United States hoped by its assistance program to increase the production of coal in Poland, a country which the Administration considers subservient to Russia. However, by sending to Moscow two sharp notes criticizing events in Hungary and by accusing Russia, through Under Secretary Acheson's speech of June 15 at Wesleyan University, of exploiting and isolating eastern Europe, the Administration has indicated that Russia will have to change its European policy before it will be permitted to share in America's European policy.

OPPONENTS STRONG. Congressional passage of the bill authorizing the President to raise wool tariffs 50 per cent has revealed the existence of strong economic isolationism that is out of harmony with the proposed European-aid program. The suggestion made on June 13 by Senate Foreign Relations Chairman Arthur Vandenberg for the creation of a commission to determine whether major lending would deplete American resources might influence public sentiment to Marshall's disadvantage. To calm the fears of those who think like Hoover, Secretary of the Treasury John Snyder on June 12 said that only part of the sums Europe needs would come from the United States. The Administration may expect the International Bank for Reconstruction and Development, or perhaps Argentina, to help rehabilitate devastated countries. The overriding problem of the Administration is to get a national decision before it is too late.

BLAIR BOLLES